



Implementation Issues Phase 3

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Aim

- *To raise awareness of guidance developments*
- *Summarise MRVA costs findings*
- ***Ask the audience*** *to raise priorities for implementation improvements that should be acted on now (in the third trading period)*

MRVA Support Project

- *Two year project drawing to conclusion*
- *Task 1: Guidance*
 - Priorities identified by MS/Compliance Forum TFs
 - Common issues identified from MS Compliance Review
- *Recent publications:*
 - Updated Verification Report Template
 - Updated AVR KGN II.5 Site Visits
 - Training package on Uncertainty Assessment
- *On the way:*
 - Quick Guides
 - User manuals, Inspection guidance, updates of existing documents



Quick Guides (Roadmaps)

- *Short step-by-step guide for each stakeholder*
 - Operator
 - Aircraft Operator
 - Competent Authority
 - Verifier
 - National Accreditation Body
- *Role (relation to others), responsibilities and timelines*
- *Contain hyperlinks to more detailed information, templates, etc.*

'Quick Guides' next steps

- *Quick Guide for Operators agreed by MRVA TWG*
- *Final TWG consultation on other QGs*
- *CCC endorsement as a package by the end of the year*
- *Translation and publication early 2017*

http://ec.europa.eu/clima/policies/ets/monitoring/documentation_en.htm

MRV Costs Project: Aim

- *To advise up to date (Phase 3) costs concerning main elements of MRV:*
 - Costs affecting operators and CAs
 - Effects of scale of EU ETS operation
 - Savings as the result of guidance, templates, etc.
 - Scope for cost reductions

MRV Costs Project: Approach

- *Literature review (Phase 3 focus)*
- *CA survey:*
 - Sent to 107 CA across Europe
 - 31 responses received (29% response rate)
- *Operator survey:*
 - Sent to 4,186 operators across Europe (ca. 35% of total) aiming for 20% response rate to give 95% confidence interval of 10%)
 - 360 responses received (9% response rate)

MRV Costs: Constraints

Constraints and limitations encountered during the course of the study included:

- Incorrect contact details of EU ETS participants
- Overlap with busy period of the compliance cycle
- Reliance on goodwill for responses
- Complexity of the subject matter
- Potential for bias and approximate answers due to a lack of MRV cost tracking
- Incorrect data entry resulting in data anomalies

MRV Costs: CA results

- *The survey found that monitoring and reporting represent equal compliance costs:*
 - 32% Monitoring e.g. approving and issuing new monitoring plans
 - 31% Reporting e.g. receiving and reviewing annual emissions reports
 - 8% 'Verification' e.g. carrying out site inspections
 - 29% Other costs e.g. training

MRV Costs: Operator results (by emissions category)

Category	Average cost per tonne of CO ₂ e per installation, €	Average cost per tonne of CO ₂ e per installation (Group I), €	Average cost per tonne of CO ₂ e per installation (Group II), €
Low emissions	3.34	4.25	0.80
Category A	0.31	0.35	0.29
Category B	0.49	0.64	0.26
Category C	0.07	0.07	0.06
Combined	0.16	0.18	0.13

MRV Costs: Operator results (1)

- *The survey found that monitoring represents the greatest compliance cost:*
 - 61% Monitoring e.g. monitoring in accordance with the monitoring plan
 - 9% Reporting e.g. preparing an annual emissions reports and submitting it to the CA
 - 13% Verification e.g. any verification activities
 - 17% Other costs e.g. training

MRV Costs: Operator results (2)

- *The survey found that of monitoring costs, the majority relate to monitoring in accordance with the monitoring plan:*
 - 34% Monitoring in accordance with the approved monitoring plan
 - 26% Quality assurance and quality control procedures
 - 16% Preparing significant modifications of the monitoring plan
 - 9% Preparing improvement reports

MRV Costs: Conclusions (CA)

- *Average total costs of MRV per 18 month compliance cycle are approximately €51,800 per Member State*
- *The average annual cost per Member State per installation per 18 month compliance cycle is €2,250*
- *No clear overarching trends regarding whether costs are higher or lower for CA in different Member States*
 - *But some indication that economies of scale (e.g. number of installations per CA) and use of electronic reporting do reduce costs in certain Member States*
- *Costs to approve monitoring plans decreased substantially between 2013 and 2014 (change of regulatory regime)*

MRV Costs: Conclusions (Operators)

- *Average total costs of MRV per 18 month compliance cycle are approximately €59,200 per installation*
- *The average annual cost per installation per tonne of CO₂e per 18 month compliance cycle is €0.16*
- *Approximately 60% of MRV costs are spent on monitoring*
- *QA/QC costs account for a high proportion of monitoring costs*
- *Costs for low emissions installations in countries with higher GDP per capita (Group I) are substantially higher*
- *Costs are, in general, proportionately higher the smaller the volume of emissions*
- ***Operators largely appreciate that the need for robust MRV outweighs compliance costs***

MRV Costs: Recommendations

- *Key recommendations:*
 - Opportunities exist for further simplification of requirements, particularly as regards small emitters both for CA and for operators
 - Simplify the process of determining de minimis source streams, particularly for small emitters
 - Increase the support and guidance relating to electronic reporting systems, particularly in low GDP countries
 - Further promote participation in information exchange practices
 - Better education regarding the required scope of QA/QC costs to operators
 - Further promote and explain the methodology relating to calculating unreasonable costs

Your views on Priorities

for implementing improvements now (in the third trading period)?

Thank you for your attention

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